

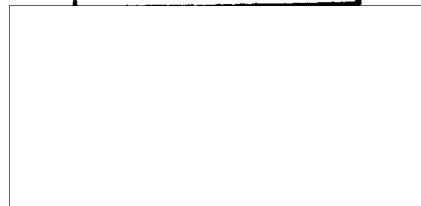


Central Intelligence Agency
Washington, D.C.
(703) 351-7676

George V. Lauder
Director, Public Affairs

Executive Registry

85- 1934



6 May 1985

DCI: *p/p 170*

Joe Fromm

Joe Fromm of U.S. NEWS AND WORLD REPORT has asked if you might be interested in doing another interview with them, similar to the one you did last year (copy attached). Again they will give you final approval of the text.

Fromm says the new regime there is interested in meeting with you and that the interview would be followed by an off the record luncheon with chairman and editor-in-chief Mort Zuckerman and editor Shelby Coffey. Their schedule is flexible, but they'd like to do it within the next month.



George V. Lauder

Accept interview with U.S. NEWS

✓ 14 MAY 1985

Decline interview



ON PAGE 27

23 April 1984

Interview With William Casey, Director, Central Intelligence

What's Behind Reagan Strategy in Nicaragua

Washington's ultimate goal, the CIA chief contends, is heading off a massive refugee crisis on America's southern border.

Q Mr. Casey, with so much attention focused right now on Nicaragua and the *contras*, can you give us your assessment of the impact of the anti-Sandinista guerrillas?

A They're creating a great deal of disarray and pressure on the regime. They've damaged the economy. Daniel Ortega Saavedra [leader of the Sandinista junta] said a couple of weeks ago that the *contras* have cost them about one third of their exports.

The main impact, however, is to divert Sandinista leaders from supporting the insurgency in El Salvador and bring pressure on them to negotiate sensibly to a more peaceful situation in that whole area. They are perceived to be the threat to the peace by all the surrounding countries because Nicaragua is the base for supporting insurgencies not only in El Salvador but in Costa Rica, Guatemala and Honduras as well.

Q While the United States may want to pressure the Sandinistas to end support for Marxist guerrillas elsewhere, is that really the goal of the *contras* in Nicaragua? Aren't they bent on overthrowing the regime?

A Those things are always mixed. They would like to unseat the regime. The question is: What is the U.S. government's purpose? After all, in World War II we were helping the Communists, the Royalists, the Gaullists and everybody. They were all trying to get power. We didn't care about that; we just wanted to get help against the Nazis. It's an analogous situation we have here. Our own national interests need not be strictly tied to any one group's goals.

Q What chance do the *contras* have of overthrowing the Sandinista regime?

A I think there's no chance that they will be able to overthrow the government. In the resistance, you have, it is said, perhaps 15,000 men with rifles scattered around the open, unpopulated parts of the country, which is where guerrillas can hide. They can't go into the cities, which the government is protecting with tanks and 75,000 men in the Army, the militia and the security forces. So they're not going to overthrow that government.

It could be—but it's a very long shot and unlikely—that the government would dissolve because the people would get fed up and fall away from the regime. But it's hard to change a government that operates a system of control where everybody in every block is counted and any strangers who show have to explain themselves.

Q What is your response to published reports that the CIA was involved in the mining of the Nicaraguan ports?

A I can't comment on such allegations.

Q What about reports that the CIA is actively running this



offshore?

A I never comment on such reports.

Q Are the Cubans still heavily involved in Nicaragua or have they reduced their presence there as some recent reports suggest?

A While the Cubans have been talking about lowering their presence, they've actually been moving in *more* people. The Cubans run the security services that manage the block-population-control system.

There are about 7,000 to 9,000 Cubans in Nicaragua including 3,000 to 3,500 military advisers intertwined with the Nicaraguan military. They also have 5,000 to 6,000 teachers, construction and health workers who are regularly taken back to Cuba on rotation. The replacements now being sent have had military training and are under 40.

As we saw in Grenada, Cuban construction workers carry rifles as well as shovels. There have been occasions where these Cuban construction workers joined in the fighting in Nicaragua when *contras* tangled with the Nicaraguan military.

Q Is there any evidence that Cuba or the Soviet Union is converting Nicaragua into a kind of strategic base along lines you've warned about in the past?

A We were concerned about that because they were lengthening airfields in Nicaragua to make them long enough to handle supersonic planes. And we know, Nicaraguan fliers were going to Bulgaria, to the Soviet Union and Cuba to be trained. Now, that has continued. The training has been completed. We believe that MiG-23s are in Cuba earmarked for Nicaragua and that Nicaraguan pilots are practicing in them. We believe the planes haven't been sent over to Nicaragua, because they're concerned about our response.

Q How many Nicaraguan pilots have been trained?

A We don't have an exact figure, but it's substantial—something like 40 pilots, enough to handle a squadron of planes, which is what we think they have in Cuba.

One thing you've got to understand is that both the Soviets and the Cubans go to great lengths to keep their military support for Nicaragua quiet and ambiguous. The heavy Soviet weapons come largely in Bulgarian and Algerian ships. Soviet and Cuban ships bring in the lighter stuff mixed with commercial cargo. We have intelligence that the Cubans in Nicaragua shave their mustaches and hide their dog tags. They are mixed in with Nicaraguan units, not kept in separate Cuban formations that could be identified.

Q You mentioned that an objective of the *contras* was to divert the Sandinistas from their support of the Marxist guerrillas in El Salvador. Are they having an impact on the flow of supplies to the Salvadoran rebels?

A Oh, they certainly have had an impact, though it's hard to quantify. To start off with, the Nicaraguans have to use their weapons and ammunition to fight the *contras* instead of sending them to El Salvador to fight the government. That's got to have an impact. The supplies are still coming in from Nicaragua, but we think it's in reduced

Continued

amounts. We know that the Nicaraguan government and the Army are having to pay greater attention to dealing with the internal resistance, which means that there's much less attention they can give to exporting revolution. But I can't be very much more specific than that.

Q If Nicaragua is being forced to divert its attention from El Salvador, why do the Marxist guerrillas in El Salvador seem to have been gaining in recent months?

A Well, they might be doing better without that diversion. We do know that the Salvadoran guerrillas have been able to increase their numbers by training and arming some of their support people. At the same time, we have pretty good reporting that they're short of ammunition and they're short of funds and they're not as effective as they would be if Nicaraguan support were unimpaired.

Also, the Salvadoran Army has been getting more effective. Before the period leading up to the elections, the Army had the guerrillas pretty well broken up and pushed back into their bases in mountainous areas.

Q How do you reconcile your claim that the Salvadoran Army is getting better with the constant criticism that it's still too incompetent to make headway against the guerrillas?

A It has a lot of deficiencies but it is improving steadily through better training, better leadership, more-aggressive tactics and more-sustained operations. It needs more mobility. It is not a perfect world, and there is still plenty of room for improvement. That can be said about any army.

The main problem in El Salvador from the military standpoint is this: As a rule of thumb, experts say that an army needs an 8 or 10 to 1 advantage to win a guerrilla war. Look at the Nicaraguan Army and militia—75,000 men under arms—and they are unable to cope with 15,000 *contras*. Now the ratio of the Salvadoran Army to the guerrillas is something like 4 to 1, and the guerrillas have a safe haven, a supply and a command-and-control base right across the border in Nicaragua. Given that situation, the Salvadoran Army is not doing badly.

The only way you're going to resolve the conflict in El Salvador is if two things happen: You have to deprive the guerrillas of their safe haven and further reduce the flow of

supplies and build up the Salvadoran Army by 25 percent to 40 percent to improve the ratio of Army to guerrillas.

Q How do you handle the growing pressure in Congress to cut off military aid to El Salvador if the death squads continue to operate there? Why is the Salvadoran government unwilling or unable to deal with the death squads?

A I think it's a cultural problem. It's a violent society like most of the societies down there. Everybody talks about the right-wing death squads. During recent months, most of the assassination victims have been supporters of the Roberto D'Aubuisson movement, the so-called right wing. So there are left-wing death squads. The guerrillas practice intimidation, and they slaughter people as they did in Vietnam. It's a civil war. And they also have this special kind of free-lance, nongovernmental death squad that practices revenge. That works both ways right across the society.

Besides that, the judicial system in El Salvador leaves much to be desired. They have a hard time getting any convictions. But basically what we're talking about is whether our primary purpose is to establish a better society in El Salvador, which isn't likely to happen quickly under present circumstances, or to protect the security interests of the United States and give Salvadoran democracy a chance to develop.

Q Are you worried that Central America will become a major issue in the political campaign and undermine popular support for the administration's strategy there?

A I think that people in the long run are less concerned about reports of mining Nicaraguan harbors than they are about the danger of creating a wave of immigration into this country if Central America or any part of it should fall under Soviet-Cuban domination. If we have another Cuba in Central America, Mexico will have a big problem and we're going to have a massive wave of immigration. The effort to prevent this from happening is not going to excite Americans as much as the threat they would face if things go wrong.

Also, I think people are concerned about the military danger. If the Communists solidify their hold on Nicaragua, the other countries down there would have to accommodate in some way. The Communists would next be looking at Mexico, to find problems that they specialize in exploiting. So what you're looking at for your children and your grandchildren is a long-term prospect of a hundred million hostile people immediately south of our border if we fail to give democracy a chance to develop in Central America.

Q To turn to the other spot that worries Americans—the Middle East: What is the likelihood of an Iranian victory in the war with Iraq?

A The Iraqis should be able to stave off this current offensive because they have such a preponderance of air power and artillery and tank power. But the Iranians have the numbers; they have the staying power; they've got the economic resources. The Iraqis are in bad shape economically. They've also got a big Shia population with religious ties to Iran. I think the prevailing opinion is that in the long run the Iranians have some important advantages.

Q What dangers might the United States face if Iran does win?

A If Iran prevails and a radical Shiite regime is established in Baghdad similar to the Khomeini regime in Teheran, there are a lot of people they could turn loose against Kuwait, Saudi Arabia and the gulf states, which have supported Iraq.

The Iranians are in a vengeful frame of mind. We have seen what they can do with the terrorist attacks on the American Embassy in Kuwait and the Marine barracks in Beirut. They are taking people from those gulf states to camps in Teheran for terrorist training and sending them

Continued

Main Points Made by CIA Director

Controversy over mining. "People are less concerned about reports of mining Nicaraguan harbors than they are about dangers of 'another Cuba' in Central America."

Impact of contras in Nicaragua. While "they're creating a great deal of disarray and pressure on the regime... there's no chance that they will be able to overthrow the government."

Arms to Salvadoran rebels. Guerrilla operations against Nicaragua's Sandinista regime "certainly have had an impact" on flow of weapons to Marxist insurgents in El Salvador.

U.S. concern about death squads. The real issue is "whether our primary purpose is to establish a better society in El Salvador... or to protect the security interests of the United States."

Iran-Iraq War. "Prevailing opinion is that in the long run the Iranians have some important advantages" that would pose grave dangers for entire gulf region.

State-sponsored terrorism. International community should isolate diplomatically and impose sanctions against countries sponsoring terrorism.

back. So already they have a pretty potent subversive potential in those small countries.

Q What would the United States do if Iran moved against these oil states in the gulf region?

A I can't speculate on that. The U.S. government said that we would keep the Strait of Hormuz open. As to something happening in one or another of these countries around the gulf, any reaction, I would suppose, would depend upon the circumstances at the time.

Q That brings up the problem of state-sponsored terrorism that Secretary of State Shultz has been talking about: What can the United States do to counter terrorism sponsored by Iran and other governments—assassinate their people, bomb their capitals or what?

A Don't put words in my mouth. As Secretary Shultz said, we're dealing with a new phenomenon in state-sponsored terrorism—a new weapons system that obliterates the distinction between peace and war.

The Iranians use their diplomatic facilities as a platform to make revolutionary guards, communications facilities and money available for terrorist planning and action. They've attacked us twice in Beirut—the American Embassy and the Marine barracks. They turn up in many countries in Africa, Asia and Europe, and we are likely to see them here. They send their missionaries across the whole Moslem world, from Morocco to Malaysia and Indonesia, preaching Khomeini's brand of radical religious-social gospel. It's a force that we're going to have to reckon with in many dimensions.

Q But what can you do about it? Do you get into the business of assassinating terrorist leaders?

A We don't engage in assassinations. We have to depend on a combination of strong security measures and international cooperation to deter and defeat terrorism.

Let's look at the problem of state-sponsored terrorism and international terrorism in a little more detail. There are more than 50 major terrorist organizations, and hundreds of mom and pop shops—little groups that take on operations for hire. We can count scores of terrorist-training camps in Iran, Libya, Syria, South Yemen, Bulgaria, the Soviet Union, Romania, Cuba and other bloc countries.

Now, there are several things you can do to cope with this kind of terrorism. You can handle it by defending yourself, defending potential targets. That's pretty tough because you haven't got enough policemen to protect every target and you don't know where they're going to hit.

So we are engaged in helping security organizations in a great many countries to improve their training and operational proficiency. These countries have their own intelligence capabilities to watch the terrorists. They're apt to be better at it than we are because they've got to live with them all the time and they're closer to them. A qualified antiterrorist network has developed through the liaison relationship between intelligence and security organizations. It is being improved by intensified intelligence exchanges and by training and other forms of assistance.

On top of that, there's a question of deterring terrorism



Contras: "Perhaps 15,000 men with rifles scattered around the unpopulated parts of the country."

by sending the message that if the terrorists attack there will be retaliation. It's not necessarily a matter of striking back directly at the terrorists. The Israelis, for example, send the message: "If we're hit from your territory, that's your responsibility and we're going to kick you in the teeth somehow." I think you will see more of that—retaliation against facilities connected with the country sponsoring the terrorists or retaliation that just hurts the interests of countries which sponsor terrorism.

Some people say that you've got to find out who the terrorists are and make sure you hit the people who hit you. Well, usually that means you're not going to do it at all. If retaliation is going to be a deterrent, the countries sponsoring terrorism have got to know it's going to happen quickly and with certainty.

Now, there's a third way to handle state-sponsored terrorism which, in my view, needs to be developed faster.

Q What's that alternative way?

A That's a kind of international, diplomatic counteroffensive against international terrorism. In effect, it would apply a modern version of the 18th-century international law on piracy that charged every nation with responsibility for picking up pirates and putting them away where they could do no more harm. It's a little hard to get acceptance of that in today's world, and I'm not quite sure just how you would implement it.

But nations could join together to invoke economic sanctions against and isolate diplomatically countries, such as Iran and Libya, that practice terrorism as a matter of state policy. They could collaborate more intensively on the screening and surveillance at entry and departure points of travelers and visitors suspected of terrorist connections. They could agree to respond more quickly and surely to requests from other countries for extradition and assistance.

So there are three ways you can deal with state-sponsored terrorism short of sending out hit squads. You can defend, you can retaliate and you can impose international barriers and sanctions of a nonviolent nature.

Q If we can turn finally to the Soviet Union: What, as you see it, has been the effect of the change in leadership there from Andropov to Chernenko?

A Minimal. Chernenko is clearly a transitional leader, but nobody knows whether he's going to be around six months, two years or five years, and it doesn't make much difference. We predicted that China's Mao Tse-tung would die 20 times before they finally buried him. So we are very shy about predicting how long Chernenko will last.

My view is that under the Soviet system today everything is worked out in a collegial way. Certainly with this kind of short-term leader, no one man is going to have the power to make a drastic change of direction. And there's no reason to assume that when Chernenko goes, the situation will change. What you've got in the Soviet Union is a generation of septuagenarians who are reluctant to forfeit their perquisites by passing power to a younger generation. They're intent on hanging on to power. □